

**Introduced by Senator Murray**

February 24, 2006

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An act to amend Section 130350.5 of the Public Utilities Code, relating to transportation.

LEGISLATIVE COUNSEL'S DIGEST

SB 1687, as introduced, Murray. Los Angeles County Metropolitan Transportation Authority.

Existing law establishes various regional transportation authorities, including the Los Angeles County Metropolitan Transportation Authority (MTA), and empowers the MTA to impose a transactions and use tax for the purpose of funding specified transportation projects for 6 1/2 years or less, subject to voter approval and other requirements.

This bill would authorize the MTA to impose the tax for 7 years or less, subject to voter approval and other requirements. The bill would also extend the completion date for two of the projects, the Metro Center Connector and the Metro Red Line Extension to Fairfax Avenue, from 2012 to 2014.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

*The people of the State of California do enact as follows:*

- 1 SECTION 1. Section 130350.5 of the Public Utilities Code is
- 2 amended to read:
- 3 130350.5. (a) In addition to any other tax that it is authorized
- 4 by law to impose, the Los Angeles County Metropolitan
- 5 Transportation Authority (MTA) may impose, in compliance
- 6 with subdivision (b), a transactions and use tax at a rate of 0.5

1 percent that is applicable in the incorporated and unincorporated  
2 areas of the county.

3 (b) For purposes of the taxing authority set forth in subdivision  
4 (a), all of the following apply:

5 (1) The tax shall be proposed in a transactions and use tax  
6 ordinance, that conforms with Chapter 2 (commencing with  
7 Section 7261) to Chapter 4 (commencing with Section 7275),  
8 inclusive, of the Transactions and Use Tax Law (Part 1.6  
9 (commencing with Section 7251) of Division 2 of the Revenue  
10 and Taxation Code), and that is approved by a majority of the  
11 entire membership of the authority.

12 (2) The tax may be imposed only if the proposing ordinance is  
13 approved by the voters in the manner as otherwise required by  
14 law and, if so approved, shall become operative as provided in  
15 Section 130352.

16 (3) The proposing ordinance shall specify, in addition to the  
17 rate of tax and other matters as required by the Transactions and  
18 Use Tax Law, that the tax is to be imposed for a period of ~~six and~~  
19 ~~one-half~~ seven years or less and that the revenues derived from  
20 the tax, net of refunds and costs of administration, are to be  
21 administered by the MTA exclusively for the purposes of the  
22 “Capital Projects,” as described and in the amounts set forth in  
23 subparagraph (A), and for the purposes of the “Capital  
24 Programs,” as described and in the amounts set forth in  
25 subparagraph (B).

26 (A) Capital Projects.

27 (i) Exposition Boulevard Light Rail Transit Project from  
28 downtown Los Angeles to Santa Monica. The sum of nine  
29 hundred twenty-five million dollars (\$925,000,000). This project  
30 shall be completed by 2011, and shall be the first priority for  
31 federal funding received for the capital projects in this  
32 subparagraph.

33 (ii) Crenshaw Metro Rapidway from Wilshire Boulevard to  
34 Los Angeles International Airport along Crenshaw Boulevard.  
35 The sum of two hundred thirty-five million five hundred  
36 thousand dollars (\$235,500,000). This project shall be completed  
37 by 2008.

38 (iii) San Fernando Valley North-South Rapidways. The sum of  
39 one hundred million five hundred thousand dollars  
40 (\$100,500,000). This project shall be completed by 2009.

1 (iv) Metro Gold Line (Pasadena to Irwindale) Light Rail  
2 Transit Extension. The sum of three hundred twenty-eight  
3 million dollars (\$328,000,000). This project shall be completed  
4 by 2012, and shall be the second priority for federal funding  
5 received for the capital projects in this subparagraph.

6 (v) Metro Center Connector. The sum of one hundred sixty  
7 million dollars (\$160,000,000). This project shall be completed  
8 by ~~2012~~ 2014.

9 (vi) Metro Red Line Extension to Fairfax Avenue. The sum of  
10 nine hundred million dollars (\$900,000,000). This project shall  
11 be completed by ~~2012~~ 2014.

12 (vii) State Highway Route 5 Carmenita Road Interchange  
13 Improvement. The sum of one hundred thirty-eight million  
14 dollars (\$138,000,000).

15 (viii) State Highway Route 5 Capacity Enhancement (State  
16 Highway Route 134 to State Highway Route 170, including  
17 access improvement for Empire Avenue). The sum of two  
18 hundred seventy-one million five hundred thousand dollars  
19 (\$271,500,000).

20 (ix) State Highway Route 5 Capacity Enhancement (State  
21 Highway Route 605 to the Orange County line, including  
22 improvements to the Valley View Interchange). The sum of two  
23 hundred sixty-four million eight hundred thousand dollars  
24 (\$264,800,000).

25 (x) State Highway Route 5/State Highway Route 14 Capacity  
26 Enhancement. The sum of ninety million eight hundred thousand  
27 dollars (\$90,800,000).

28 (xi) Capital Project Contingency Fund. The sum of one  
29 hundred seventy-three million dollars (\$173,000,000).

30 (B) Capital Programs.

31 (i) Alameda Corridor East Grade Separations. The sum of two  
32 hundred million dollars (\$200,000,000).

33 (ii) MTA and Municipal Regional Clean Fuel Bus Capital  
34 (Facilities and Rolling Stock). The sum of one hundred fifty  
35 million dollars (\$150,000,000). The first priority for the  
36 expenditure of these funds shall be satisfaction by the MTA of  
37 the requirements of the Consent Decree between the MTA and  
38 the Labor Community and Strategy Center, et al., including the  
39 purchase of the entire number of buses required to comply with  
40 the decree.

1 (iii) Countywide Soundwall Construction (MTA Regional List  
2 and Monterey Park/State Highway Route 60). The sum of two  
3 hundred fifty million dollars (\$250,000,000).

4 (iv) Local return for major street resurfacing, rehabilitation,  
5 and reconstruction. The sum of two hundred fifty million dollars  
6 (\$250,000,000).

7 (v) Metrolink Capital Improvements. The sum of seventy  
8 million dollars (\$70,000,000).

9 (vi) Eastside Light Rail Access. The sum of thirty million  
10 dollars (\$30,000,000).

11 (vii) Capital Program administration. The sum of ten million  
12 dollars ~~(\$10,000,000)~~ (\$10,000,000). The MTA shall use these  
13 funds for the administration of the Capital Program.

14 (c) The MTA may not incur bonded indebtedness payable  
15 from the proceeds of the tax provided by this section for the  
16 funding of the projects and programs specified in this section, or  
17 loan money from the proceeds to other projects or programs in  
18 advance of completing the projects and programs in  
19 subparagraphs (A) and (B) of paragraph (3) of subdivision (b).  
20 The MTA shall complete all projects and programs in  
21 subparagraphs (A) and (B) of paragraph (3) of subdivision (b) as  
22 a condition of the use and expenditure of the proceeds of the tax.  
23 The MTA shall maintain the current amount of any funding for  
24 the projects and programs specified in this section received from  
25 its sources other than the proceeds of the tax, and may not  
26 reallocate money that is already allocated for those projects and  
27 programs to other projects or uses.

28 (d) Notwithstanding Section 7251.1 of the Revenue and  
29 Taxation Code, the tax rate authorized by this section may not be  
30 considered for purposes of the combined rate limit established by  
31 that section.

32 (e) A jurisdiction or recipient is eligible to receive funds from  
33 the local return program, described in clause (iv) of subparagraph  
34 (B) of paragraph (3) of subdivision (b), only if it continues to  
35 contribute to that program an amount that is equal to its existing  
36 commitment of local funds or other available funds. The MTA  
37 may develop guidelines which, at a minimum, specify  
38 maintenance of effort requirements for the local return program,  
39 matching funds, and administrative requirements for the  
40 recipients of revenue derived from the tax.

1 (f) Prior to submitting the ordinance to the voters, the MTA  
2 shall adopt an expenditure plan for the revenues derived from the  
3 tax. The expenditure plan shall describe the specified projects  
4 and programs listed in paragraph (3) of subdivision (b), the  
5 estimated total cost for each project and program, funds other  
6 than the tax revenues that the MTA anticipates will be expended  
7 on the projects and programs, and the schedule during which the  
8 MTA anticipates funds will be available for each project and  
9 program. To be eligible for proceeds from the tax, an agency  
10 sponsoring a capital project or capital program shall submit to the  
11 MTA an expenditure plan for its project or program containing  
12 the same elements as the expenditure plan that MTA is required  
13 by this subdivision to prepare.

14 (g) The MTA shall establish and administer the Capital Project  
15 Development Fund. The revenue derived from the tax shall be  
16 deposited into this fund. The moneys in the fund shall be  
17 available to the MTA only to meet expenditure and cash flow  
18 needs of the capital projects and capital programs described in  
19 subparagraphs (A) and (B) of paragraph (3) of subdivision (b),  
20 including the replacement of federal or state funds if the amount  
21 of federal or state funds received by the MTA is less than  
22 anticipated in the expenditure plan. If the sales tax revenue from  
23 this section is less than that needed to meet these expenditure and  
24 cash flow needs, the MTA shall supplement the sales tax revenue  
25 with money from other sources available to the MTA. Any funds  
26 remaining in the fund shall be allocated in equal amounts of 25  
27 percent each to the MTA and to the Municipal Clean Fuel Bus  
28 Capital, local return, and Countywide Soundwall programs as  
29 described in subparagraph (B) of paragraph (3) of subdivision  
30 (b).

31 (h) If the total amount of revenue received from the tax  
32 exceeds the amount in the MTA's expenditures plan or if other  
33 funds, including, but not limited to, funds under the Traffic  
34 Congestion Relief Act of 2000 (Chapter 4.5 (commencing with  
35 Section 14556) of Part 5.3 of Division 3 of Title 2 of the  
36 Government Code), become available and are allocated to  
37 complete capital projects or capital programs, as described in  
38 subparagraphs (A) and (B) of paragraph (3) of subdivision (b),

- 1 the MTA may expend the surplus tax revenue on its next highest
- 2 priority projects.

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